

- Write definitions for the following key terms and concepts:

Nominal gross domestic product (GDP)

.....

Real GDP

.....

Gross value added (GVA)

.....

.....

Real GDP per capita

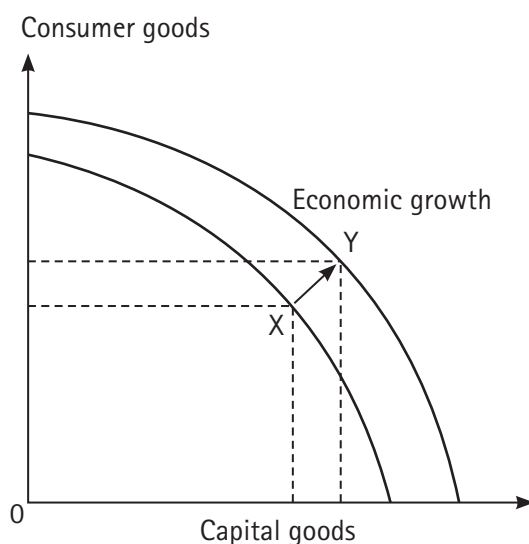
.....

Economic growth

Sustainable growth

.....

- The movement outwards of the production possibility curve (PPC) in the diagram below illustrates economic growth in the productive potential of an economy. List and explain three drivers of growth that could have caused the movement in the PPC.



- i)
-
- ii)
-
- iii)
-
-

3 The Human Development Index (HDI) provides a broad measure of economic welfare standards that is used to compare living standards in different countries. Which of the following indicators does the index include?

Real GDP per capita

Unemployment rate

Life expectancy at birth

Years of schooling

Housing costs

Levels of obesity

4 The table below reports changes in GDP, prices and population over the last year.

Country	% annual change in nominal GDP	% annual change in consumer price index	% change in population
A	5%	2%	+1%
B	8%	8%	+2%
C	6%	4%	-1%
D	-3%	5%	0%

Which one of the countries

- i) experienced the fastest rate of economic growth?
- ii) was in recession?
- iii) had most likely experienced a decline in living standards among its population?

5 List and explain three limitations of using real GDP per capita as an indicator of living standards.

i)

ii)

.....

.....

iii)

.....

6 The following chart plots the annual percentage change in real GDP in Malaysia from 1999 to 2010. On the chart identify a period of

i) economic recession

ii) economic recovery

iii) economic boom

